

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
GOVERNMENT OVERSIGHT BILL
BY CHAIRPERSON ALONS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to state bidding requirements for purchases.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 8.6, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 15. MASTER CONTRACT FILE. To maintain a
4 file, open to public inspection, containing the documentation
5 provided by state agencies to support the use of master
6 contracts with terms in excess of five years.

7 Sec. 2. Section 8A.311, subsection 1, paragraph a, Code
8 Supplement 2005, is amended to read as follows:

9 a. All equipment, supplies, or services procured by the
10 department and each state agency shall be purchased by a
11 competitive bidding procedure as established by rule.
12 ~~However, the~~ To the extent practicable the rules shall be
13 substantially similar to the 2000 model procurement code for
14 state and local governments. The director may exempt by rule
15 purchases of noncompetitive items and purchases in lots or
16 quantities too small to be effectively purchased by
17 competitive bidding. The rules may include the use of a
18 master contract; however, the term of a master contract shall
19 be no longer than five years unless a longer term is
20 determined, in the sole discretion of the department, to
21 provide a greater fiscal savings. Documentation supporting
22 that determination shall be provided to the department of
23 management, which shall maintain the documentation in a master
24 contract file. A master contract shall not be extended beyond
25 the specified term unless a competitive bidding process is
26 used. Any master contract in effect on July 1, 2006, may be
27 extended beyond the term of the master contract as expressly
28 provided by the terms of the master contract; however, that
29 extension may be for no longer than three years. Preference
30 shall be given to purchasing Iowa products and purchases from
31 Iowa-based businesses if the Iowa-based business bids
32 submitted are comparable in price to bids submitted by out-
33 of-state businesses and otherwise meet the required
34 specifications. If the laws of another state mandate a
35 percentage preference for businesses or products from that

1 state and the effect of the preference is that bids of Iowa
2 businesses or products that are otherwise low and responsive
3 are not selected in the other state, the same percentage
4 preference shall be applied to Iowa businesses and products
5 when businesses or products from that other state are bid to
6 supply Iowa requirements.

7 Sec. 3. Section 216B.3, subsection 12, unnumbered
8 paragraph 1, Code 2005, is amended to read as follows:

9 Manage and control the property, both real and personal,
10 belonging to the department. Equipment, supplies, or services
11 procured by the commission shall be purchased through a
12 competitive bidding procedure as established by rule. To the
13 extent practicable, the rules shall be substantially similar
14 to the 2000 model procurement code for state and local
15 governments. However, the commission may exempt by rule
16 purchases of noncompetitive items and purchases in lots or
17 quantities too small to be effectively purchased by
18 competitive bidding. The rules shall provide that
19 architectural and engineering services shall be procured on
20 the basis of bidder competence and reasonable price and shall
21 not be based on competitive bidding. The rules may include
22 the use of a master contract; however, the term of a master
23 contract shall be no longer than five years unless a longer
24 term is determined, in the sole discretion of the commission,
25 to provide a greater fiscal savings. Documentation supporting
26 that determination shall be provided to the department of
27 management, which shall maintain that documentation in a
28 master contract file. A master contract shall not be extended
29 beyond the specified term unless a competitive bidding process
30 is used. Any master contract in effect on July 1, 2006, may
31 be extended beyond the term of the master contract as
32 expressly provided by the terms of the master contract;
33 however, that extension may be for no longer than three years.
34 PARAGRAPH DIVIDED. The commission shall, according to the
35 schedule established in this subsection, when the price is

1 reasonably competitive and the quality as intended, purchase
2 soybean-based inks and plastic products with recycled content,
3 including but not limited to plastic garbage can liners. For
4 purposes of this subsection, "recycled content" means that the
5 content of the product contains a minimum of thirty percent
6 postconsumer material.

7 Sec. 4. Section 262.9, Code Supplement 2005, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. 31. Require, to the extent practicable,
10 that all equipment, supplies, or services procured by all
11 institutions under the jurisdiction of the board be purchased
12 through a competitive bidding procedure as established by
13 rule. To the extent practicable, the rules shall be
14 substantially similar to the 2000 model procurement code for
15 state and local governments. However, the secretary may
16 exempt by rule purchases of noncompetitive items and purchases
17 in lots or quantities too small to be effectively purchased by
18 competitive bidding. The rules shall provide that
19 architectural and engineering services shall be procured on
20 the basis of bidder competence and reasonable price and shall
21 not be based on competitive bidding. The rules may include
22 the use of a master contract; however, the term of a master
23 contract shall be no longer than five years unless a longer
24 term is determined, in the sole discretion of the purchasing
25 authority, to provide a greater fiscal savings. Documentation
26 supporting that determination shall be provided to the
27 department of management, which shall maintain that
28 documentation in a master contract file. A master contract
29 shall not be extended beyond the specified term unless a
30 competitive bidding process is used. Any master contract in
31 effect on July 1, 2006, may be extended beyond the term of the
32 master contract as expressly provided by the terms of the
33 master contract; however, that extension may be for no longer
34 than three years.

35 Sec. 5. Section 307.21, subsection 4, paragraph a, Code

1 2005, is amended to read as follows:

2 a. Provide centralized purchasing services for the
3 department, in cooperation with the department of
4 administrative services. Equipment, supplies, or services
5 procured by the department shall be purchased through a
6 competitive bidding procedure as established by rule. To the
7 extent practicable, the rules shall be substantially similar
8 to the 2000 model procurement code for state and local
9 governments. However, the administrator may exempt by rule
10 purchases of noncompetitive items and purchases in lots or
11 quantities too small to be effectively purchased by
12 competitive bidding. The rules shall provide that
13 architectural and engineering services shall be procured on
14 the basis of bidder competence and reasonable price and shall
15 not be based on competitive bidding. The rules may include
16 the use of a master contract; however, the term of a master
17 contract shall be no longer than five years unless a longer
18 term is determined, in the sole discretion of the
19 administrator, to provide a greater fiscal savings.
20 Documentation supporting that determination shall be provided
21 to the department of management, which shall maintain that
22 documentation in a master contract file. A master contract
23 shall not be extended beyond the specified term unless a
24 competitive bidding process is used. Any master contract in
25 effect on July 1, 2006, may be extended beyond the term of the
26 master contract as expressly provided by the terms of the
27 master contract; however, that extension may be for no longer
28 than three years.

29 PARAGRAPH DIVIDED. The administrator shall, when the price
30 is reasonably competitive and the quality as intended,
31 purchase soybean-based inks and plastic products with recycled
32 content, including but not limited to plastic garbage can
33 liners, and shall purchase these items in accordance with the
34 schedule established in section 8A.315. However, the
35 administrator need not purchase garbage can liners in

1 accordance with the schedule if the liners are utilized by a
2 facility approved by the environmental protection commission
3 created under section 455A.6, for purposes of recycling. For
4 purposes of this subsection, "recycled content" means that the
5 content of the product contains a minimum of thirty percent
6 postconsumer material.

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EXPLANATION

8 This bill establishes a general policy for state executive
9 branch agencies that equipment, supplies, or services procured
10 by the state shall be purchased using a competitive bidding
11 procedure, which is substantially similar to the 2000 model
12 procurement code for state and local governments. However,
13 architectural and engineering services shall be obtained on
14 the basis of competence and price instead of a competitive
15 bid. The bill also provides, as a general principle, that a
16 master contract may be in effect for only five years.
17 However, a longer term may be provided for if the agency
18 determines, in its sole discretion, that it would provide
19 greater savings. Documentation that supports this
20 determination must be provided to the department of
21 management, which shall maintain that documentation in a
22 central file available for public inspection. The bill does
23 not grant the department approval authority over these
24 contracts. The bill contains a grandfather clause for master
25 contracts in effect on July 1, 2006. These contracts may be
26 extended as expressly provided in the contract, but for no
27 longer than three years beyond the normal term of the master
28 contract.

29 A master contract is generally an agreement with a vendor
30 to sell a good or a service at a specified price, and allows
31 any number of individual sales at that price, usually to any
32 state agency.

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